



December 13, 2011

The Honorable Jocelyn G. Boyd
Chief Clerk / Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210

RE: SCPSC Docket No. 2011-158-E

Dear Mrs. Boyd:

The purpose of this letter is to memorialize the stipulation and commitment made by Progress Energy Carolinas, Inc. ("PEC") and Duke Energy Carolinas, LLC ("DEC") during the hearing in this docket held December 12, 2011.

As a condition for Commission approval of the proposed Joint Dispatch Agreement ("JDA") between PEC and DEC, PEC and DEC will provide the Commission a "most favored nations" commitment and will also agree to the ORS proposal for approval of the Joint Dispatch Agreement on a one year trial basis. The "most favored nations" commitment guarantees this Commission and PEC's and DEC's retail customers pro rata benefits equivalent to those approved by the North Carolina Utilities Commission in its order ruling upon Duke Energy Corporation's and Progress Energy Carolinas, Inc.'s merger application.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Len S. Anthony', written over a large, stylized, looped signature line.

Len S. Anthony
General Counsel
Progress Energy Carolinas, Inc.

LSA:mhm

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**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2011-158-E

In the Matter of

Application of Duke Energy Carolinas, LLC and)
Progress Energy Carolinas, Inc. to Engage in a)
Business Combination Transaction)

**CERTIFICATE
OF SERVICE**

I, Len S. Anthony, hereby certify that a copy of Duke Energy Carolinas, LLC's and Progress Energy Carolinas, Inc.'s letter memorializing the stipulation and commitment made during December 12, 2011 hearing, has been served on all parties of record either by hand delivery, e-mail, or by depositing said copy in the United States mail, postage prepaid, addressed as follows:

Pablo O. Nuesch
Spiegel & McDiarmid, LLP
1333 New Hampshire Avenue, N.W.
Washington, DC 20036

Peter J. Hopkins
Spiegel & McDiarmid
1333 New Hampshire Avenue, N.W.
Washington, DC 20036

Michael K. Lavanga
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, N.W.
Eighth Floor, West Tower
Washington, DC 20007

Garrett A. Stone
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, N.W.
Eighth Floor, West Tower
Washington, DC 20007

James N. Horwood
Department of Public Utilities
City of Orangeburg
Spiegel & McDiarmid, LLP
1333 New Hampshire Avenue, N.W.
Washington, DC 20036

D. Peters Wilborn, Jr.
Derfner, Altman & Wilborn
P. O. Box 600
Charleston, SC 29402

Douglas Jennings, Jr.
Douglas Jennings Law Firm, LLC
P. O. Box 995
Bennettsville, SC 29512

Kodwo Gharthey-Tagoe
Vice President Legal, State Regulation
Duke Energy Carolinas, LLC
P. O. Box 11006/HCC03T
Charlotte, NC 28201

Scott Elliott
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, SC 29201

Robert R. Smith, II
Moore & Van Allen, PLLC
100 North Tryon St., Suite 4700
Charlotte, NC 28202

Courtney D. Edwards
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

Frank R. Ellerbe, III
Robinson, McFadden & Moore, P.C.
P. O. Box 944
Columbia, SC 29202

K. Chad Burgess
South Carolina Electric & Gas Company
MC C222
220 Operation Way
Cayce, SC 29033

J. Blanding Holman, IV
Southern Environmental Law Center
43 Broad Street, Suite 300
Charleston, SC 29401

Michael N. Couick
The Electric Cooperatives of SC, Inc.
808 Knox Abbott Drive
Cayce, SC 29033

Paul J. Conway
Tiencken Law Firm, LLC
234 Seven Farms Drive, Suite 114
Charleston, SC 29492

Gudrun Thompson
Southern Environmental Law Center
601 W. Rosemary Street, Suite 220
Chapel Hill, NC 27516

Nanette S. Edwards
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

Jonathan D. Newman
Sherman, Dunn, Cohen, Leifer & Yellig, P.C.
900 Seventh Street, N.W, Suite 1000
Washington, DC 20001

Matthew W. Gissendanner
South Carolina Electric & Gas Company
MC C222
220 Operation Way
Cayce, SC 29033

Christopher R. Koon
The Electric Cooperatives of SC, Inc.
808 Knox Abbott Drive
Cayce, SC 29033

John H. Tiencken
Tiencken Law Firm, LLC
234 Seven Farms Drive, Suite 114
Charleston, SC 29492

Jill Mara Tauber
Southern Environmental Law Center
122 C Street NW, Suite 390
Washington, DC 20001

This 13th day of December, 2011.


Len S. Anthony
General Counsel